

COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AFFAIRS

Members of the Board

Gloria Molina Yvonne B. Burke Zev Yaroslavsky Don Knabe Michael D. Antonovich

> Pastor Herrera, Jr. Director

"To Enrich Lives Through Effective and Caring Service"

October 19, 2005

To:

Supervisor Gloria Molina, Chair

Supervisor Yvonne B. Burke Supervisor Zev Yaroslavsky

Supervisor Don Knabe

Supervisor Michael D. Antonovich

From:

Pastor Herrera, Jr.

Director

Subject: Cable Television Franchise Expiration & Non-Renewal: Lost Hills

(3rd District)

NOTIFICATION

This is to inform your Board of the impending expiration and non-renewal of a County cable television franchise located in the unincorporated areas of Lost Hills. This franchise serves no cable subscribers and the franchisee has no plans to serve these areas. This franchise will expire on December 31, 2005.

BACKGROUND

On April 3, 1987 the County of Los Angeles ("County") granted a franchise, held by Falcon Cablevision, L.P., a wholly owned subsidiary of Charter Communications, Inc. ("Charter"), for the provision of cable television service to designated unincorporated areas called Lost Hills, Ordinance No. 87-0027F, as amended.

Charter is not currently providing cable television service, and has no plans to. in the designated Lost Hills franchise areas. They have notified the County of their decision to allow this franchise to expire without extension or renewal.

The areas that comprise the Charter Lost Hills franchise are already part of another cable television franchise known as the "Agoura" areas franchise. The Agoura franchise is currently held by Adelphia Communications and is offering cable television service to residents in this area.

Consumer Affairs is currently processing a request to purchase and transfer the Agoura franchise to Time Warner along with all County franchises currently held by Adelphia and Comcast. This transaction is currently under review. A recommendation to consent or deny this transfer request will be presented to your Board for consideration.

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FISCAL IMPACT/FINANCING

The County will realize a cost savings when this franchise expires. The Lost Hills franchise generates no income because cable franchise revenues are generated as a percentage of gross revenues. Since this franchise has no subscribers there are no associated revenues. Cost savings will be realized because County staff resources are required to administer even a non-subscriber franchise. The County will continue to receive franchise fees as a result of the Agoura franchise.

IMPACT ON CURRENT SUBSCRIBERS IN THE UNINCORPORATED AREA

There will be no impact on current services to any of the current subscribers in the Lost Hills areas. Any resident who currently subscribes to cable services in these areas are and will continue to be served by Adelphia Communications or their successor.

CONCLUSION

Both Charter and Consumer Affairs agree that allowing the Lost Hills areas franchise to expire without renewal best serves all parties. As a result, this franchise will expire on December 31, 2005.

If you have any questions or concerns regarding this, please contact me at 213-974-9750, or Fern Taylor, Chief, Telecommunications Franchising, at 213-974-2711.

Enclosure: Franchise Areas Map: Lost Hills

C: Executive Officer, Board of Supervisors
Chief Administrative Officer
Board Chief Deputies
Board Liaisons to DCA
Director of Public Works
Grace Chang, Deputy County Counsel
Fern Taylor, Chief, Telecommunications Franchising